



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139

Tel. 498-9011

EXECUTIVE DEPARTMENT

ROBERT W. HEALY

City Manager

November 7, 1983

To the Honorable, the City Council:

On Wednesday, November 2, 1983, the City received \$4,256,324 from the trustees of the Boston and Maine Railroad. This payment represents the principal amount of back taxes owed to the City by the Boston and Maine Corporation. As the Council is aware, the City has been involved in a legal case with Boston and Maine for several years regarding delinquent taxes.

On September 30, 1983 the United States Court of Appeal awarded Cambridge one hundred percent of the delinquent taxes, but no interest on the delinquency. It has been the City's final position that Boston and Maine owed interest as well.

Thus, the City has asked for a rehearing before the Court of Appeals.

It should be noted that Cambridge has carried the overdue taxes on the books for several years as a deficit, and therefore they are not available funds for appropriation. However, it is my hope that the removal of such a major receivable from the balance sheet may permit the City to have a free cash surplus at the close of FY 1984 or FY 1985 based on the long range financial planning the City has underway.

Very truly yours,

Robert W. Healy
City Manager

RWH/b

Agenda Item Number Three.

F-295

Re: the receipt of \$4,256,324. from the Trustees of the Boston & Maine Railroad, representing the principal amount of back taxes owed the City.

In City Council,

November 7, 1983

11/7/83

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